



County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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February 4, 2013

TO: Each Supervisor

FROM: 
Sheryl L. Spiller, Director

SUBJECT: NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE CONTRACT FOR ANONYMOUS WELFARE FRAUD REFERRALS AND REWARD SERVICES

This is to inform you of the Department's intent to request Board delegated authority to the Director of the Department of Public Social Services (DPSS) or her designee to negotiate a three-year sole source contract with WeTip Inc. (WeTip) for anonymous welfare fraud referrals and reward services, per Board of Supervisors Policy 5.100 – Sole Source Contracts, for contracts in excess of \$250,000.

Under the current contract, WeTip provides a 24-hours per day, seven-days a week, toll-free telephone line for the public to anonymously report suspected welfare fraud crimes and to distribute rewards to informants as approved by DPSS.

Since March 1998, WeTip has been awarded the contract through the Request for Proposals (RFP) competitive solicitation process. WeTip has been the only proposer to respond and receive County funds to provide these services for the last three solicitations (2003, 2006, and 2009). The current contract with WeTip expires on March 31, 2013.

WeTip met the contractual requirement to anonymously report 100 percent of welfare fraud referrals received to the appropriate departments in a timely manner and with sufficient details for the departments to investigate the suspected crimes. Under the Anonymous Welfare Fraud Referral and Reward Services Contract, WeTip received a total of 14,355 referrals from April 2009 through December 2012: 11,027 fraud referrals were forwarded to the Department's Welfare Fraud Prevention and Investigations Section, for investigating and the remainder were forwarded to the appropriate County Department for their follow-up and investigation.